

STATE BOARD OF EQUALIZATION
BEFORE THE ADMINISTRATIVE JUDGE

IN RE: Andrew J. & Carol Lee Snoddy)
Dist. 23, Map 96B, Group A, Control Map 96B,) Bedford County
Parcels 33.00 & 34.00)
Residential Property)
Tax Year 2006)

INITIAL DECISION AND ORDER

Statement of the Case

For the purpose of writing these decisions these two adjacent parcels will be combined. The subject properties are presently valued as follows:

Parcel 33.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$9,100	\$0	\$9,100	\$2,275

Parcel 34.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$9,100	\$0	\$9,100	\$2,275

Appeals have been filed on behalf of the property owners with the State Board of Equalization on July 25, 2006.

These matters were reviewed by the undersigned administrative law judge pursuant to Tennessee Code Annotated (T.C.A.) §§ 67-5-1412, 67-5-1501 and 67-5-1505. This hearing was conducted on January 18, 2007, at the Bedford County Property Assessor's Office. Present at the hearing were Andrew J. and Carol Lee Snoddy, the taxpayers who represented themselves. Also present were Rhonda Clanton, the Assessor for Bedford County, Mark Lamb an Appraiser from the Property Assessor's Office, Bobby Spencer and Tom Winfrey from the Division of Property Assessment for the State of Tennessee.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The subject properties consist of two vacant adjacent lots located on River Oak Drive in Shelbyville, Bedford County, Tennessee.

The taxpayers believe that the subject properties are worth \$4,000, even though they paid \$9,000 for each of them in 2000. Mrs. Snoddy testified that while she did not believe the lots were worth that amount she was unable to convince the then owner. Mrs. Snoddy produced several photographs (collective taxpayer's exhibit #1) that showed the lots are virtual 'ponds' for the majority of the year. The properties are located in a 100 year flood plain but hold water almost all of the time. The taxpayers testified that because

of the restrictive covenants¹ on the properties they were not buildable lots. Mr. Snoddy also pointed out that the requirements contained in the restricted deeds limit the size of a home that can be built on any lot in this subdivision and because of the possibility of water damage to a structure, limit the use of the land. Mrs. Snoddy believes the land's highest and best use is for a "bird habitat", that the land is just a greenspace for the area.

Since the taxpayer is appealing from the determination of the Bedford County Board of Equalization, the burden of proof is on the taxpayer². See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Control Board*, 620 S.W. 2d 515 (Tenn. App. 1981).

The assessor contends that the properties should be valued at \$9,100, the value set by the County Board³. Mr. Lamb stated that he was unable to find comparables of vacant lots being sold with a pond on them so the county is relying on the "presumption of correctness"⁴.

The germane issue is the value of the properties of January 1, 2006. The basis of valuation as stated in T.C.A. § 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values"

After having reviewed all the evidence in this case, the administrative judge finds that the subject property should be valued at \$4,000 each, based upon the following analysis.

Generally, there are three approaches to determining the value of property. Some methods are more appropriate than others when dealing with specific types of property. In the present case the subject property is vacant land which all parties agree have never had any buildings placed upon them.

Land, in a general sense, can be unimproved (raw) or improved (ready for development). A site analysis includes collection and analysis for site-specific data or the physical characteristics of the site. Site specific data to be collected include frontage, width, depth, shape, area, topography, slope, drainage and soil condition, and off-site improvements. *Property Assessment Valuation*, 2nd Ed., @1996, pp69 -72

¹ River Bend County Club, Inc. to River Bend Estates and County Club Subdivision, Book 123, page 391 in the Bedford County Register of Deed's Office.

² The taxpayer must show by a preponderance of the evidence that an allegation is true or that the issue should be resolved in favor of that party. *Uniform Rules of Procedure for Hearing Contested Cases. Rule 1360-4-1-.02 (7)*.

³ An interesting historical footnote is that in 1989 both parcels were valued at \$10.00, it is noted that the county has gone through 2 mass re-appraisals since that time.

⁴ See above, State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Control Board*, 620 S.W. 2d 515 (Tenn. App. 1981).

In analyzing the arguments of the taxpayers, the administrative judge must look to the applicable and acceptable standards in the industry when analyzing their arguments. In this case the subject parcels are surrounded by homes in the Cambridge Subdivision also known as the River Bend Estates and County Club Subdivision with typical land values of \$45,000. In the opinion of the Administrative Judge, the most telling site data is the shape of the parcels(slightly irregular); area (zoning and deed restrictions present which would limit the type of structure built); and the topography (physical features of the site) . It is undisputed that the parcels are in the flood plan and are usually underwater. It is also clear from the testimony that if a home could be built on Lot 13-Parcel 33, the structure would be out of sync with the other homes in the area. The administrative judge therefore agrees with the Taxpayers that the “highest and best use” of the parcels is to leave them in there present condition as greenspace/bird habitat.

Therefore with respect to the issue of market value, the administrative judge finds that Mr. and Mrs. Snoddy introduced sufficient evidence to affirmatively establish the market value of subject properties as of January 1, 2006, the relevant assessment date pursuant to Tenn. Code Ann. § 67-5-504(a).

ORDER

It is therefore ORDERED that the following values and assessments be adopted for both parcels for tax year 2006:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$4,000	\$0	\$4,000	\$ 1,000

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition

for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of February, 2007.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Andrew J. & Carol Lee Snoddy
Ronda H. Clanton, Assessor of Property